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SUMMARY

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United Arab Republic

METHODOLOGY OF PLANNING FOR DEVELOPMENT IN THE U.A.R.

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METHODOLOGY OF PLANNING FOR DEVELOPMENT IN THE U.A.R.

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During the fifties planning went on in steps; starting with structural planning constructing the necessary changes in the economic and social structures, followed by launching major projects and sectorial programs, and ending with an overall five-year plan in 1960 aiming at doubling national income in ten years. The strategy of this overall plan is:

1 - Exploitation of agricultural possibilities to the utmost.

2 - Creation of an industrial base which would shortly form the backbone of development.

3 - Creation of employment opportunities not less than the annual increase in the labour force.

4 - A larger share of the public sector.

5 - A certain balance between short and long-term projects.

6 - A fair increase in services.

7 - Making use of all foreign sources of finance.

8 - Continuation of already committed - to projects, and use of excess capacities.

9 - Allowing a moderate rise in per capita consumption and increasing the marginal propensity to save.

10 - Introduction of necessary institutional and administrative reforms.

The approach to planning is the fixed-target; trial and error approach. It started with the investigation of simple aggregative models which helped in exploring the possibilities over twenty years. In their light the target was fixed at raising the rate of growth to 7% annually. Thus an aggregative plan frame was constructed defining the manner by which coubling national income would be achieved in ten years.

The details of the first five years period were worked out in terms of specified investment projects, national balances and a national budget.

The objectives of these plans are:

1 - Achieving a maximum rate of growth of income.

2 - Raising the levels of living of the masses.

3 - Creation of balanced and accelerated growth, and correcting the structure of the economy.

4 - Increasing employment opportunities.

5 - Economic and social equalization.

6 - Amelioration of literacy and health conditions.

7 - Creation of the sense of national responsibility and cooperation.

In the light of these objectives, sectorial models were used to elaborate a preliminary plan - frame, which helped to derive sectorical targets. After making good any detected discrepancies, the detailed plan-frame was obtained covering the following items:

1 - Details of all investment projects.

2 - Production and value added and the share of wages in each sector.

3 - Commodity balances.

4 - Detailed national budget and public budget.

5 - Employment by sector.

6 - Regional allocation of projects.

7 - Allocation by executing bodies.

8 - Foreign exchange budget and financial flows.

In the meantime, possibilities of the optimality approach mere investigated by means of the Cairo Channel Model.

The Model opened many possibilities:

1 - It draws an investment plan maximizing national income while minimizing net debtor position given the boundaries on the economy.

2 - It deals with the problem of time phasing.

3 - It deals with the problem of changing capacities.

4 - It could be reduced to a Skeleton Model yielding results quite similar to the trial-and-error approach.

The final solution was obtained by means of the Oslo electronic computer.

Regional planning is not fully developed and the regional aspects related largely to problems of location.

As regards data, planning was not started before the preparation of a certain minimum, covering social accounts, sources and uses, and a number of structural parameters. The many requirements of planning for numerical data at fixed dates let to the development of statisical techniques. More information is obtained now on a sample basis.

Further the type of analysis involved and the elaboration of the necessary parameters required intensive and extensive research of the techno-economic type. These studies had to be superimposed on whatever already existed in purely technical forms. Modern operations research techniques as well as quality control techniques are receiving wider appreciation. Another field of research is that of productivity measurement and improvement.

Then there are the problems of management, administration and the preparation of the technical personnel engaged in planning at various levels. The Institutes of Planning, Higher Management and Administration are taking over the necessary functions of training and research in their respective fields. These and the other central bodies for statistics, scientific research and social studies are all fitting into a general scheme helping the process of development planning to move in the right direction.

S - 383 E - Oct.1962 - 1,600